

# BONDED INDEBTEDNESS

Fiscal Year 1969

	Bonds Outstanding 6/30/68	%	Bonds Issued During Year	%	Bonds Redeemed During Year	%	Interest Paid During Year	%	Bonds Outstanding 6/30/69	%	Bonds Authorized But Unissued 6/30/69*	%
<b>GENERAL OBLIGATION BONDS:</b>												
GENERAL CONSTRUCTION BONDS.....	\$176,655,812	36	\$18,500,000	19	\$15,486,768	46	\$ 5,427,586	33	\$179,669,044	32	\$185,025,540	33
LOCAL PURPOSE BONDS.....	118,527,000	24	65,600,000	66	3,891,000	11	4,604,471	27	180,236,000	32	293,485,330	54
GENERAL PUBLIC SCHOOL CONSTRUCTION BONDS.....	172,054,000	35	11,405,000	11	12,796,000	37	5,765,088	34	170,663,000	30	30,510,000	05
STATE AGENCY AND POLITICAL SUB-DIVISION.....	29,617,188	05	4,000,000	04	2,004,232	06	1,011,098	06	31,612,956	06	46,000,000	08
<b>TOTAL GENERAL OBLIGATION BONDS.....</b>	<b>\$496,854,000</b>	<b>100</b>	<b>\$99,505,000</b>	<b>100</b>	<b>\$34,178,000</b>	<b>100</b>	<b>\$16,808,243</b>	<b>100</b>	<b>\$562,181,000</b>	<b>100</b>	<b>\$555,020,870</b>	<b>100</b>
<b>STATE ROADS COMMISSION OF MARYLAND (SPECIFIC TAX REVENUE BONDS:</b>												
STATE HIGHWAY CONSTRUCTION BONDS.....	\$287,167,000	91	\$18,500,000	100	\$19,767,000	90	\$9,729,113	92	\$285,900,000	92	\$74,100,000	100
COUNTY HIGHWAY CONSTRUCTION BONDS.....	27,329,000	09	.....	.....	2,210,000	10	856,851	08	25,119,000	08	.....	.....
<b>TOTAL LIMITED OBLIGATION BONDS.....</b>	<b>\$314,496,000</b>	<b>100</b>	<b>\$18,500,000</b>	<b>100</b>	<b>\$21,977,000</b>	<b>100</b>	<b>\$10,585,964</b>	<b>100</b>	<b>\$311,019,000</b>	<b>100</b>	<b>\$74,100,000</b>	<b>100</b>

The tax supported Public Debt of the State of Maryland is divided into two major categories: General obligation bonds that carry the full faith and credit of the State; and limited obligation bonds issued by the State Roads Commission and payable out of highway revenue. Both of these categories of bonds are redeemed over a period of fifteen years and are well secured by dedicated revenues. However, under the 1964 legislative enactment of the Hospital Construction Loan participating voluntary non-profit hospitals are to repay these loans to the State over a period of forty years and the funds necessary to cover the resultant difference between bond redemption and loan repayment are obtained from the State's property tax levy.

General Obligation Bonds are further categorized and secured by revenues as follows:

A. General Construction Bonds and Local Purpose Bonds, representing 64% of the Bonds outstanding, are fully secured by the revenue from the State Real and Personal Property Taxes.

B. General Public School Construction Bonds, representing 30% of the Bonds outstanding, are secured by revenues as follows:

1. Payment of principal and interest on bonds issued by the State prior to January 1, 1953 is made by the Counties and Baltimore City to the State from local taxes levied.
2. Payment of principal and interest on bonds issued by the State on and after January 1, 1953 is made through deductions by the Comptroller of the Treasury from funds due said Counties and Baltimore City under the applicable provisions of State Law relating to the Income Tax, the Tax on Racing, the Recordation Tax, the Tax on Amusements, the License Tax and School Building Construction Aid Program. These payments are to be made within fourteen years from the date of the issuance of the Bond Certificates.
3. If there is not enough revenue from sources indicated in paragraphs one and two above to cover principal and interest the difference must be included by the State in the Real and Personal Property Tax levy.

C. State Agency and Political Sub-Division Bonds, representing 6% of the Bonds outstanding, are secured by revenues as follows:

1. On bonds issued covering construction for the Department of Motor Vehicles and the Department of Maryland State Police, payment of principal and interest is made to the State from fines and other receipts of the Department of Motor Vehicles.
2. On bonds issued for the Maryland Port Authority payments of principal and interest is made to the State from the  $\frac{3}{4}$  of 1% distribution of Corporation Income Tax.

3. On bonds issued covering construction for the Department of Employment Security payment of principal and interest is made to the State from annual rent received from the United States Department of Labor.

4. If there is not enough revenue from sources indicated in paragraphs one thru three above to cover principal and interest, the difference must be included by the State in the Real and Personal Property Tax levy. All monies received from the State Real and Personal Property Taxes and all payments received from State Agencies and Political Sub-Divisions as outlined above are placed in the Annuity Bond Fund which is set up with a separate account for each Bond Act enacted by the General Assembly. All principal and interest on General Obligation Bonds is paid from this fund.

State Roads Commission Bonds are limited obligation bonds and are repayable from specified tax revenues. These bonds fall into two classifications and are secured by revenues as follows:

A. State Highway Construction Bonds.

The principal and interest on these bonds is paid from the following sources:

1. That portion of the proceeds of the excise tax on the issuance of certificates of title of motor vehicles as is represented by a rate of 3% of the fair market value of motor vehicles.
2. That portion of the 50% share of the Gasoline Tax Fund as is represented by the proceeds of the gasoline tax imposed at the rate of six cents per gallon of motor vehicle fuels.
3. That portion of the proceeds of the additional one cent per gallon increase in gasoline license taxes imposed by the laws of Maryland of 1964 and allocated to the Commission.

B. County Highway Construction Bonds.

The principal and interest on these bonds is paid from the following sources:

1. The 20% portion of the six cents per gallon Gasoline Tax Fund that is distributable to Counties and Municipalities within Counties.
2. The 20% portion of the Motor Vehicle Revenue Fund that is distributable to Counties and Municipalities within Counties.

Funds necessary to meet the Debt Service Requirements on these Bonds must be transferred, by the Comptroller, to the Sinking Funds set up for their retirement prior to the use of these revenues for any other purpose or their distribution, by the State Roads Commission, to the Counties and Municipalities within Counties.

\* Included in General Obligations Bonds Authorized but unissued at 6/30/69 is \$136,878,200.00 authorized by the General Assembly during the 1969 session.

† Statutory authorization for State Roads Commission issuance of County Highway Construction Bonds expired at 6/30/68. Additional